

# AMENDED APPLICATION OF MEMPHIS NETWORK LLC

## Conditions to Certificate of Convenience and Public Necessity (CCN)

The following sets forth conditions to the pending CCN application by Memphis Network, L.L.C. (MNet) before the Tennessee Regulatory Authority (TRA) and as agreed to by the undersigned parties.

### RECITALS

The parties agree that an open access, wholesale network is proposed by MNet. Further, intervenors acknowledge that the applicant is fit, in all material respects, under guidelines established by the TRA, to receive the relief sought under this Amended Application to the TRA. The parties further agree to the following:

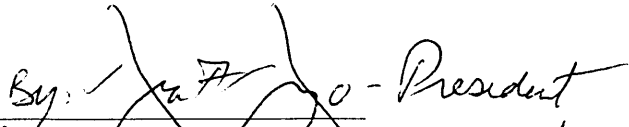
### SPECIFIC CONDITIONS

1. MNet agrees that it will only provide its services, on a wholesale basis, and at tariff rates (including approved Contract Service Arrangements), as applicable, to unaffiliated third parties.
2. Unaffiliated third parties will be regulated and governed under applicable law.
3. Applicable sections of the Federal Communications Act of 1996, state law and the charter and ordinances of the City of Memphis will define "Affiliated party" and "conflict of interest." Self-dealing and conflict of interest provisions shall apply. MNet or MLGW or their principals shall not own, operate, or receive any benefit, directly or indirectly from any retail provision of services in Tennessee in any geographic areas served by MNet, except as provided in paragraph 6 below. Notwithstanding the foregoing, this provision shall in no way affect revenues or distributions from MNet to its members, or other agreements MLGW may have with telecommunications providers regarding unrelated matters. This provision shall not apply to construction or maintenance services provided to MNet by MLGW or A&L Networks, LLC or affiliates.
4. MNet acknowledges that it must obtain certain applicable franchise agreements while intervenors agree they will support those applications of MNet which are consistent with this Agreement and those required of other similar providers.
5. MNet agrees that, except as provided in paragraph 6 below, it will not seek modification of its CCN for a five (5) year period beginning June 1, 2000, sought herein to expand the scope of its authority as granted by the TRA.
6. Any request to expand the authority granted for the purpose of providing services to retail, end user customers, shall be submitted by petition filed with the TRA and served on the intervenors in this proceeding identifying the "under-served" customers sought to be served together with an explanation of the absence or inadequacy of the service or services available to those customers. The parties agree that factors to be considered in determining whether a customer is "under-served" should include price, quality, choice and availability of meaningful service.
7. Any request for an interdivisional loan from the MLGW Electric Division to its Telecommunications Division in excess of the initially authorized twenty million dollars (\$20,000,000) shall receive approval from the MLGW Board of Commissioners. It is further agreed by MLGW that all intervenors in this matter and the City Council shall receive written notice of any such request and the City Council shall also consider such request.

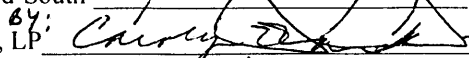
8. MLGW agrees to negotiate/renegotiate the Time Warner pole attachment agreement, which shall include fair and reasonable rates under applicable federal and state law, if any. Such renegotiated agreement shall become effective two (2) years after the effective date of this Agreement. NEXTLINK may also re-negotiate its pole attachment Agreement at any time within two years of the date of this Agreement under similar terms to those of Time Warner. Should Time Warner or NEXTLINK be unable to reach an agreement with MLGW, before seeking legal remedies, the parties will mutually select a mediator with subject matter expertise who shall mediate the dispute. Pending the adoption of a new pole attachment agreement between MLGW and NEXTLINK, NEXTLINK may sublease the right to use facilities attached to MLGW's poles provided that (a) NEXTLINK provide notice of such sublease to MLGW (b) NEXTLINK remains financially and operationally responsible to MLGW for the subleased facilities under existing pole attachment agreements, and (3) unless otherwise agreed by MLGW, NEXTLINK may only sublease the right to use such facilities on a wholesale basis to third parties who will then use the facilities to serve end users.
9. Intervenor agree to join in the petition seeking approval of the CCN under terms set out in this Agreement in TRA proceeding Docket Number 99-00909. Intervenor agree that they will not seek judicial relief or an appeal of the MNet CCN so long as such CCN incorporates the terms of this Agreement. Intervenor will not in any way challenge the authority of the parties to participate in the MNet venture providing they are abiding by all applicable regulatory laws, the CCN incorporating the terms of this Agreement, and applicable TRA rules. If any provision of this Agreement is modified in any material respect, the Agreement shall, at the request of any party hereto, be void as to such party. In such case, the Applicant and joint petitioners, at their option, shall proceed with a hearing on their original application at petitioner's option.
10. All pending litigation in Shelby County Chancery Court Docket Number CH00-0706-3 related to MNet and MLGW concerning public records will not be pursued by Time Warner.
11. The parties agree that they will not seek to legislatively modify municipal authority to participate in telecommunications activities or joint ventures so long as applicant is abiding by applicable law, its CCN incorporating the terms and conditions of this Agreement, and TRA rules.
12. MLGW shall not exercise its condemnation authority for the direct or sole benefit of MNet or its customers, wholesale or otherwise; provided however, this provision shall not apply to MLGW when condemnation is necessary for the purpose of placing, locating or relocating gas, water or electric lines or facilities or when necessary to enable a municipal project. In no event, however, shall MNet receive preferential treatment in obtaining access to such facilities and/or rights of way.

Date: May 1, 2000

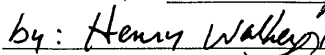
For Time Warner Communications of the Mid-South

By:  - President

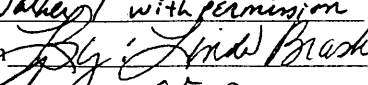
For Time Warner Telecom of the Mid-South, LP

By:  - VP REGUL/SOUTHEAST

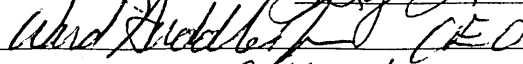
For NEXTLINK Tennessee, Inc.

By:  with permission

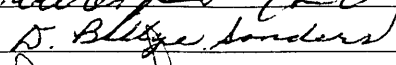
For Tennessee Cable Telecommunications Association

By:  - Chairman TCTA

Memphis Network, LLC

 - CEO

Memphis Light, Gas and Water Division

 - atty

A&L Networks-Tennessee LLC

By: 